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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: January 30, 2008

Haider Sees No Obstacles to Referendum on New EU Treaty

11. Carinthian Governor Joerg Haider (BZOe) has said that he sees no legal obstacles to a provincial referendum on the new EU Reform Treaty in the wake of his party's collection of 15,000 signatures in support of such a move. Haider claims that ratification of the Treaty would affect the province in many areas, and proudly pointed out that Carinthia is the "first and only" province in which the people will have a chance to vote on the document. Semi-official daily Wiener Zeitung in its online edition reports on Carinthian Governor Haider's claim that there are no legal obstacles to a provincial referendum on the new EU Reform Treaty after his party, the BZOe, collected 15,000 signatures in support of a vote on the issue. The Governor emphasized that the provincial constitutional service, which is "independent" of the BZOe, has already approved a referendum, which makes it unlikely, he argues, that the provincial election authority would oppose it. Carinthian SPOe leader Gaby Schaunig, who opposes a referendum, says that she doubts that the BZOe has really collected that many valid signatures, and calls the proposed referendum "a political distraction" on Haider's part.

Euro 2008 to Create 11,000 New Jobs

12. A study conducted by the Austrian Chamber of Commerce (WKOe) and the Labor Market Service (AMS) has suggested that the Euro 2008 will result in the creation of 11,000 new jobs in Austria, 6,000 of which will be permanent. Some 4,000 of them are expected to be in the gastronomy and service sectors. The study also claims that the Euro 2008 will result in an increase of 0.15 percent of Austria's gross domestic product. WKOe deputy chief Reinhold Mitterlehner has meanwhile forecast that the Euro 2008 will produce additional revenue of 380 million Euros in the country, according to ORF TV's prime time news Zeit im Bild I on Tuesday.

EU Leaders Call for Transparency

13. The leaders of Europe's largest economies have called on financial institutions to improve transparency. The British, German, French and Italian Prime Ministers and Chancellor, meeting in London yesterday, have also urged the International Monetary Fund to introduce better risk monitoring. If the finance industry did not address their concerns, they would consider imposing regulatory measures, the four heads of government warned. Their meeting, called by British Premier Gordon Brown, comes in response to the current financial turmoil at international stock markets, says ORF online

news.

First Soldiers Depart for Chad

14. The advance team of twelve Austrian soldiers will leave today to join the European Union's humanitarian mission in Chad in central Africa. A total of 160 Austrian troops will serve as part of the 4,000-strong European force, protecting aid workers and refugees fleeing violence in the neighboring Darfur region of Sudan. The media point out that the Austrian participation in the mission remains highly controversial: Rejection of the assistance project is higher in Austria than in any other EU member state, Austrian television points out. Speaking on ORF TV on Tuesday, Defense Minister Norbert Darabos (SPOe) underscored the purely humanitarian nature of the mission. Critics, however, argue that this deployment of Austrian soldiers is not compatible with the country's neutral status.

All Austrian media continue to report on the departure today of the first Austrian soldiers, who are part of a contingent participating in the EU's humanitarian assistance efforts in Chad. Semi-official daily Wiener Zeitung and liberal daily Der Standard in their articles focus on a "warning from the EU military command that the soldiers to be deployed do not have enough equipment" for their mission, particularly with regard to transport helicopters. The EU troops' Irish command has called the operation a "logistical Mt. Everest." Austrian defense minister Norbert Darabos meanwhile bid official farewell to the advance team yesterday. He dismissed complaints that the mission, which will be under French command in Chad, was not compatible with Austrian neutrality, as Paris - the critics argue - has always sided with the government of Chad, which contradicted the notion of a neutral mission. In an analysis, foreign affairs writer for the Standard Adelheid Woelfl comments on what she describes as a "minimalist effort against genocide." She suggests that the European Chad mission, "as a supportive measure for the mission in Darfur, is definitely legitimate. Criticism of the project shows, however, that Europe is not yet sure of itself when it comes to standing by its values."

McCain Wins Florida Primary

15. In the US state of Florida, John McCain has won the primary election in the contest to become Republican presidential candidate. He narrowly beat Mitt Romney, and thus goes into next week's Super Tuesday with a significant boost. According to McCain, this was just the beginning: "I promise you again, I will always put America, her strength, her ideals, her future, before every other consideration," Austrian radio quotes McCain. Former New York Mayor Rudy Giuliani, who campaigned strongly in Florida, but only came in third in the primary election, is expected to endorse McCain and drop out of the race. Meanwhile, Hillary Clinton won a symbolic victory in the Democratic vote, according to a report by ORF radio early morning news Morgenjournal.

Bush's Last State of the Union Address

16. Several Austrian media analyze and comment on US President George Bush's final State of the Union Address. The majority of Austrian media focuses on the "valedictory mood" and the "lame duck image," and point out that the "speech lacked genuine highlights." As one daily put it, "Bush is sounding the farewell bell." The US President presented the political program for his last year in office, but clearly, his clout has been diminished considerably. Reporting like several Austrian media on US President Bush's final State of the Union Address, independent provincial daily writes that Bush "called on Americans to persevere," particularly regarding the flagging US economy and US counter-terrorism measures. Observers have noted that all in all, the speech was a "testimony of missed chances." The US economy and recovery efforts were clearly the central focus of the President's address, both the Salzburger Nachrichten and semi-official daily Wiener Zeitung point out. Liberal daily Der Standard in its analysis describes the performance "much ado about a mere extra." The speech was "a lot of ritual, but little substance. Everyone's attention was focused on Hillary Clinton and Barack Obama," writes Washington correspondent Frank Herman in his "account of how Bush muddled through his last State of

the Union Address that had little to show for in the way of a legacy." In centrist daily Die Presse, Washington correspondent Norbert Rief points out Bush's efforts at "modesty at the end," and says that in his final State of the Union Address the US President "showed pragmatism." It seemed, Rief suggests, that Bush was "very much aware of the insignificance of his performance throughout the speech. After all, it was hardly more than a short break in the battle over his succession. The proposals announced in this State of the Union Address were marked by pragmatism and modesty - politically, there isn't much Bush can still hope to achieve in his last year in office."

"Protocol Affair" Overshadows Slovenian EU Presidency

17. ... headlines a leading Austrian daily, and reports that the "EU-US-Kosovo issue has now led to the sacrifice of a pawn." Yesterday, Mitja Drobnic, the political director at the Slovenian Foreign Ministry handed in his resignation amid allegations that Slovenia may have accepted instruction regarding its stance on the status of Kosovo from the United States. The entire affair had come to a head when records of Drobnic's conversation in Washington in December with Assistant Secretary of State for European Affairs Dan Fried had been published in a Slovenian newspaper. Reporting on the so-called "Protocol Affair" involving a high-ranking Slovenian Foreign Ministry representative, centrist daily Die Presse notes that the allegations Slovenia had accepted instructions from the United States regarding its Kosovo policy is "particularly dicey," given that Slovenia as current EU Council President is playing a key role in the issue over Kosovo's independence. The incident could seriously weaken Slovenia's position as "honest and reliable mediator" in the tricky diplomatic tightrope of the proponents and opponents of Kosovo's independence, says the Presse. Drobnic's resignation, which was immediately accepted by Slovenia's Foreign Minister Dimitrij Rupel, is to limit the political damage. Nonetheless, Rupel is concerned that his country will now "encounter difficulties with our partners in the negotiations, particularly with the United States, who in all likelihood will no longer trust us with their views on the issue." At the same time, the Minister dismissed allegations Slovenia was the recipient of orders from the US in the Kosovo question. The Presse adds, however, that the discussion protocol of Drobnic and Assistant Secretary Fried, which was recently published by a Slovenian newspaper, makes for some interesting reading: According to the document, Fried "encouraged" Slovenia to be the first to officially recognize Kosovo, after it had declared independence from Belgrade - preferably on a Sunday, because that would deny Russia the opportunity to call a session of the UN Security Council immediately.

Kilner